

## **ALTERNATIVE POWER AND ENERGY GRANT PROGRAM GUIDELINES**

The Energy & Recycling Office (ERO) of the Indiana Department of Commerce is pleased to offer the Alternative Power and Energy Grant Program. This program is designed to enable businesses and institutions to install and study alternative and renewable energy system applications in areas such as power generation, heating and cooling, and waste-to-energy. This program replaces all non-transportation applications of the ERO's previous Alternative Energy Systems Grant Program.

Please read these guidelines carefully before submitting an Alternative Power and Energy Grant Program application. These guidelines describe preferred projects, grant funding formulas, the grant approval process and specific information needed in an application.

### **ELIGIBILITY**

Businesses, non-profit institutions and units of local government (including public schools) are eligible to apply for grants. Eligible projects include non-transportation applications of solar, wind, geothermal, hydropower, alcohol fuels, waste-to-energy and biomass technologies. These applications may be applied to the direct generation of electricity (for either on-site use or placement of power onto a utility grid), heating and/or cooling of buildings, or the production of fuels.

When funds are requested for building improvements in leased space, the building owner must submit the application and all leaseholders must submit a Lessee Application Attachment. Eligible projects will apply commercially available technologies. Grants under this program will not be awarded to fund research projects. Industry councils, utilities, local and regional development organizations, and other potential partners are encouraged to participate in projects. These partnerships should provide expertise, leadership and financial commitments to projects. The participation of multiple partners in projects will enhance an applicant's likelihood of grant approval.

### **GRANT AMOUNTS**

Grant amounts are available up to a maximum of \$30,000, but no less than \$5,000. Up to 30% of project costs (or \$30,000, whichever is less) may be awarded, however grant funds may only be used for the purchase and installation of power generation, heating, and cooling equipment, and for other equipment necessary for the operation of the renewable energy system. Other associated costs (such as engineering studies, system design, site preparation, storage facilities, building improvements, etc.) may, however, be included in the total project cost used to determine the amount of the AP&E award. Project budgets may include funding from third party sources, but the applicant itself must directly contribute at least 20% of the project's total budget.

If a project is accepted for award, the applicant may receive funds on a reimbursement basis only. Payments are paid in two stages:

1. An initial payment equal to 70% of the grant award is paid once a grant contract has been completed and the recipient submits valid claim vouchers;
2. A final payment equal to 30% of the grant amount is made upon successful completion of two site visits, spaced at least six months apart, by ERO representatives.

## **AWARD CRITERIA**

Applications will be evaluated and scored based upon the following criteria:

1. Project soundness. Applicants should demonstrate that proposed project is appropriate and technically feasible. Applicants should demonstrate the availability of appropriate fuel or energy inputs into the proposed system, such as square footage available for solar or geothermal systems, or feedstock availability for biomass and waste-to-energy projects. Applicants should also demonstrate that the proposed project is economically sound by having an investment payback no longer than the anticipated life of the system to be installed. Because the State of Indiana must make payments in arrears, applicants should demonstrate their ability to make full payment of project costs before reimbursement by the state. Applicants may also be required to submit written estimates of costs from service or equipment providers and/or documentation of comparable technology applications.
2. Fuel and Energy Savings. Applicants should demonstrate that the proposed project will result in a decrease in the consumption of fossil fuel (such as oil or natural gas) and/or electricity. Applications should include projections of conventional fuel or energy savings. Projections should be documented, where appropriate, with past fuel usage from utility bills, and technical specifications of the new energy system to be installed.
3. Environmental Effect. Applicants should describe how the project will contribute to improving the environment of Indiana through pollution reduction or prevention, or through the use of renewable fuels. Where relevant, applicants should document that they have obtained any and all applicable permits. Failure to comply with relevant federal, state, and/or local environmental laws or regulations may result in rejection of an application.
4. Economic Development. Applicants should describe how the project will facilitate economic development in Indiana. This may be demonstrated, for example, by the creation of new jobs, increased productivity, cost-of-business savings to the applicant, or support of Indiana business and industry. Consideration is given to the level of commitment to and the effect upon alternative energy use in Indiana.

In addition to the information required of all applicants, ERO may request additional information to aid its evaluation of applications.

Successful grant recipients will be required to complete quarterly and final reports describing progress toward contracted goals.

## **CONFIDENTIAL INFORMATION**

To the extent feasible and permissible by law, ERO will honor an applicant's request that confidential information submitted to ERO remain confidential. ERO will treat information as confidential only if, (1) the information is, in fact, protected confidential information, such as trade secrets or privileged or confidential commercial or financial information, (2) the information is specifically marked or identified as confidential by the applicant, (3) the information is segregated and placed in a separate appendix to the application, and (4) no disclosure of the information is required by law or judicial order. If the application results in a grant award, the honoring of confidentiality of identified information shall not limit the right of ERO to disclose non-confidential details and results of the project to the general public.